

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2378

S. P. 837

In Senate, January 18, 1974

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Cox of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

**AN ACT to Repeal the Statute Allowing Contractors to Substitute
Securities for Cash Retainers.**

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 23, § 753, amended. The 4th sentence of section 753 of Title 23 of the Revised Statutes, as amended, is further amended to read as follows:

Each bidder must accompany his bid with an official bank check, a cashier's check, a certified check ~~a certificate of deposit~~ or a United States postal money order, payable to the Treasurer of State, for an amount which the department considers sufficient to guarantee that if the work is awarded to him, he will contract with the department for its due execution.

STATEMENT OF FACT

Pursuant to Management and Cost Survey recommendation #3, Treasurer of State, contractors shall no longer be allowed to utilize security deposits in lieu of cash retainers. Prior to 1967, retainers in connection with highway contracts were in the form of cash. Income earned on securities is remitted to contractors. This recommendation was supported by the Governor in his Special Message to the Special Session of the 106th Legislature on January 10th of 1974.

The survey estimates additional annual income to the State of \$72,000.